

Message Text

CONFIDENTIAL

PAGE 01 PEKING 01873 300621Z

13

ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 NSCE-00 /026 W

----- 032950

O 300545Z OCT 74

FM USLO PEKING

TO SECSTATE WASHDC IMMEDIATE 2625

C O N F I D E N T I A L PEKING 1873

EXDIS

E.O. 11652: GDS

TAGS: PFOR CH

SUBJECT: INITIAL CALL ON VICE MINISTER CH'IAO KUAN-HUA

1. ON THE AFTERNOON OF OCTOBER 29, I PAID MY INITIAL CALL AT THE FOREIGN MINISTRY ON VICE FOREIGN MINISTER CH'IAO KUAN-HUA. ALSO PRESENT ON THE CHINESE SIDE WERE VICE FOREIGN MINISTER WANG HAI-JUNG, AMERICAN AND OCEANIAN AFFAIRS DEPARTMENT DIRECTOR LIN P'ING, AND DEPUTY DIRECTOR TANG WEN-SHENG, U.S. AFFAIRS SECTION CHIEF TING YUAN-HUNG, AMERICAN SECTION DEPUTY DIRECTOR CHAO CHI-HUA AND FUNCTIONARY LIEN CHUNG-PAO, AND ACTING PROTOCOL CHIEF CHU CH'UAN-HSIEN.
2. CH'IAO WAS CURIOUS AS TO WHETHER THERE WERE ANY NEW DEVELOPMENTS IN THE MIDDLE EAST SITUATION AND ON THE PRICE OF OIL. "I HAVE READ PRESS REPORTS," HE SAID, "THAT THE SAUDIS MAY BE WILLING AND ABLE TO LOWER PRICES. IN EUROPE MANY OF OUR FRIENDS ARE BECOMING QUITE ANXIOUS. THE FEDERAL REPUBLIC OF GERMANY IS RELATIVELY BETTER OFF BUT FRANCE IS FEELING THE PINCH. GISCARD D'ESTAING HAS RECENTLY PROPOSED THAT A GROUP OF 10 TO 20 COUNTRIES BE FORMED WHICH WOULD CONSIST OF PRODUCERS, CONSUMERS AND DEVELOPING COUNTRIES. WHAT DOES THE U.S. GOVERNMENT THINK OF THIS PROPOSAL?"

3. I REPLIED TO THE VICE MINISTER'S REMARKS ON THE MIDDLE EAST AND THE OIL PRICE BY DRAWING ON MY GENERAL

CONFIDENTIAL

PAGE 02 PEKING 01873 300621Z

KNOWLEDGE OF THE SUBJECT, SAYING I HAD NOT RECEIVED A

SPECIFIC REPORT OR INSTRUCTIONS ON THE INDIVIDUAL QUESTIONS HE HAD RAISED. I ASSURED HIM THAT THE QUESTION OF MID-EAST OIL WAS AN IMPORTANT ONE TO THE U.S. GOVERNMENT AND WAS RECEIVING PRIORITY ATTENTION. I REMARKED THAT I WAS SURPRISED AFRICAN DEVELOPING NATIONS HAD NOT COMPLAINED MORE LOUDLY ABOUT HIGH OIL PRICES AND WONDERED IF THE THIRD WORLD MIGHT NOT EVENTUALLY SPLIT INTO THE THIRD AND FOURTH WORLDS SINCE THERE WERE SUCH GREAT DIFFERENCES IN THEIR INTERESTS.

4. "IN PRIVATE CONTACTS WITH SOME AFRICAN COUNTRIES AT THE UNITED NATIONS," REPLIED CH'IAO, "I HAVE HEARD EXPRESSIONS OF CONCERN ABOUT HIGH OIL PRICES. IF THESE NATIONS HAVE NOT COMPLAINED IN PUBLIC, IT IS PERHAPS BECAUSE OF THEIR DESIRE TO MAINTAIN THIRD WORLD SOLIDARITY. BUT WE HOPE THAT THE PRODUCING NATIONS ARE ABLE THROUGH NEGOTIATIONS TO REACH A REASONABLE SETTLEMENT WITH THE VARIOUS CONSUMING NATIONS. DO YOU BELIEVE THAT OIL PRICES MIGHT GO UP STILL HIGHER? AND, ARE THE AUSTERITY MEASURES RECENTLY ADOPTED BY THE U.S. GOVERNMENT PROVING EFFECTIVE?"

5. "AS FOR PRICES," I REPLIED, "WE FEEL THAT THEY WILL COME DOWN, BUT THE TIMING WILL DEPEND TO SOME DEGREE ON POLITICAL QUESTIONS. AS FOR AUSTERITY MEASURES, WE HAVE NOT YET TAKEN ANY DRASTIC ACTION BUT PRES. FORD IS VERY SERIOUS AND I BELIEVE THAT MORE POSITIVE MEASURES MAY BE POSSIBLE AND WILL UNDOUBTEDLY BE MADE AFTER THE NOVEMBER 5 ELECTION IN BOTH INCREASING OUR OWN SUPPLY AND DECREASING IMPORTS."

6. AT THIS POINT THERE ENSUED PREDICTABLE EXCHANGE CONCERNING PLO REPRESENTATION IN THE UNITED NATIONS, AT THE CONCLUSION OF WHICH CH'IAO TURNED TO THE SUBJECT OF DR. KISSINGER'S UPCOMING VISIT TO PEKING.

7. "I STRONGLY BELIEVE," I REPLIED, "THAT THE RELATIONSHIP BETWEEN THE UNITED STATES AND CHINA WHICH HAS BEEN WORKED OUT FOR THE LAST SEVERAL YEARS STILL ENJOYS VERY WIDE SUPPORT IN THE UNITED STATES. SOME PEOPLE, EVEN INCLUDING SEVERAL AMBASSADORS WITH WHOM I HAVE SPOKEN

CONFIDENTIAL

PAGE 03 PEKING 01873 300621Z

HERE IN PEKING, I BELIEVE THAT THE RELATIONSHIP HAS 'LEVELED OFF'. I MYSELF DO NOT BELIEVE THIS, BUT I HOPE THAT SECRETARY KISSINGER'S MEETINGS WITH CHINESE LEADERS IN PEKING NEXT MONTH MAY SHOW SOME PROGRESS IN OUR RELATIONSHIP. IT IS POSSIBLE THAT AFTER THE SHANGHAI COMMUNIQUE THERE WAS RAISED IN SOME PEOPLE'S MINDS AN UNREALISTIC EXPECTATION OF INSTANT PROGRESS. BUT I WOULD NOT BE HERE, I SAID, UNLESS I THOUGHT THAT OUR RELATIONSHIP WAS

SOLIDLY FOUNDED AND WOULD GO FORWARD IN THE FUTURE."

8. CH'IAO REPLIED, "AWHILE BACK SOME DIPLOMATS ASKED ME IF OUR RELATIONSHIP WITH THE U.S. WAS DETERIORATING BUT RECENTLY NONE HAVE ASKED THIS. MANY PEOPLE DO NOT UNDERSTAND OUR RELATIONSHIP. CHAIRMAN MAO HAS DISCUSSED THIS WITH SECRETARY KISSINGER AND AGREED THAT OUR COMMON VIEWS ON MAJOR ISSUES OUTWEIGH WHATEVER DIFFICULTIES THERE MAY BE. OF COURSE, THERE ARE SOME PEOPLE IN DIPLOMATIC CIRCLES IN PEKING WHO WANT TO SEE A WORSENING IN OUR MUTUAL RELATIONS."

9. CH'IAO NEXT RAISED THE SUBJECT OF JAPAN, SAYING THAT SECRETARY KISSINGER WILL BE GOING THERE BEFORE HIS VISIT TO PRC. HE WONDERED IF I HAD ANY IDEAS ABOUT REPORTS HE HAD HEARD THAT PRIME MINISTER TANAKA WAS MEETING WITH DIFFICULTIES. I REPLIED THAT I KNEW LITTLE ABOUT THIS SUBJECT, BUT FELT CERTAIN THE PRESIDENT'S VISIT WOULD TAKE PLACE AS SCHEDULED. CH'IAO AGREED, STATING THE PRESIDENT'S VISIT WOULD HELP TANAKA.

10. I INQUIRED OF THE VICE MINISTER WHETHER THERE HAD BEEN ANY CHANGE IN THE CHINESE POSITION ON KOREA OR CAMBODIA SINCE WE HAD LAST SEEN ONE ANOTHER IN NEW YORK. CH'IAO REPLIED VERY BRIEFLY THAT THERE HAD BEEN NO BASIC CHANGE.

11. THIS WAS THE SUBSTANCE OF OUR CONVERSATION ASIDE FROM A FEW PLEASANTRIES ABOUT MY FAMILY, CHINESE LESSONS AND OUR RECENT NEW YORK MEETING.

12. IN CONTRAST TO VICE MINISTER YU CHAN YESTERDAY, CH'IAO CONDUCTED THE ENTIRE CONVERSATION HIMSELF. THE
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 PEKING 01873 300621Z

MEETING, ATTENDED BY ANDERSON AND MCKINLEY IN ADDITION TO MYSELF ON THE AMERICAN SIDE, WAS FRIENDLY AND RELAXED. CH'IAO WAS HIS NORMAL ENGAGING SELF, THOUGH HE DID SEEM SERIOUSLY BENT ON PROBING THE MID-EAST AND OIL QUESTIONS. AT THE CONCLUSION OF OUR CALL, ACTING PROTOCOL CHIEF CHU CH'UAN-HSIEN, IN ESCORTING US TO THE DOOR, ANNOUNCED THAT CH'IAO AND WANG HAI-JUNG WOULD HOLD A BANQUET EVENING NOVEMBER 1 IN HONOR OF OUR ARRIVAL.

13. SINCE CH'IAO IS CLEARLY INTERESTED IN DISCUSSING THE MID-EAST AND OIL PRICES, I WOULD APPRECIATE RECEIVING WHATEVER GUIDANCE THE DEPARTMENT MAY BE ABLE TO PROVIDE ME ON THE CURRENT STATE OF PLAY BOTH ON MID-EAST IN GENERAL AND OIL IN PARTICULAR. I WOULD APPRECIATE RECEIVING REPLY BEFORE I SEE CH'IAO ON NOVEMBER 1.

BUSH

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, DIPLOMATIC DISCUSSIONS, PRICES, POLITICAL SITUATION
Control Number: n/a
Copy: SINGLE
Draft Date: 30 OCT 1974
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: boyleja
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974PEKING01873
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740309-0398
From: PEKING
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t1974107/aaaaafcj.tel
Line Count: 170
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION SS
Original Classification: CONFIDENTIAL
Original Handling Restrictions: EXDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: EXDIS
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: boyleja
Review Comment: n/a
Review Content Flags:
Review Date: 15 JUL 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <15 JUL 2002 by kelleyw0>; APPROVED <11 MAR 2003 by boyleja>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: INITIAL CALL ON VICE MINISTER CH'IAO KUAN-HUA
TAGS: PFOR, CH, US, XF, JA, (CH'IAO KUAN-HUA)
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005